Ref.: OMB 2226/96

Complaint against Security Branch, Government Secretariat - giving insufficient notice in inviting applications for funding support, failing to duly and thoroughly assess a funding application, and refusing to answer related enquiries.

BACKGROUND

The complainant, a non-profit making organization specializing in a field of community service (the "complainant organization"), complained against the Security Branch for having improperly handled its application for a grant under a multi-million dollar funding scheme, in that -

(a) it had been given an unreasonably short notice to submit an application;

(b) its application together with the related project proposal were not duly and thoroughly examined and assessed; and

(c) staff of the Security Branch had refused to answer its subsequent enquiries concerning the processing and refusal of the application.

2. In 1994 the complainant organization was invited by a division (the " SB Division") of Security Branch to bid for grants made available under a funding scheme (the "Scheme") to fund projects which might benefit the community. While applicants were to submit proposals for projects for which funding was required, the complainant organization considered the deadline for application, which was then set to be nine days ahead, as unreasonably insufficient and unrealistic. It was only upon the complainant organization's request that a two weeks' extension was given for its application to be submitted.

3. The complainant organization was not satisfied that during the interim of six months before the related authority rejected its application, the SB Division apparently had not thoroughly inquired into the project being proposed. It could not understand how in the absence of such inquiries the related authority could properly reach a decision on the priority to be accorded to different applications. It was skeptical as to whether the SB Division was holding "double standard", since the same project proposal it later submitted in 1996 under another funding scheme had received obviously different handling. On the latter occasion the SB Division had initiated a series of enquiries and verifications, including a site inspection, for the purpose of assessing the

support-worthiness of the proposed project, and an amount of some $1.15 million was finally allocated.

4. In this connection the director of the complainant organization had, at a certain stage, tried to contact an officer of the SB Division to enquire about the processing of its application under the Scheme. However, his repeated attempts were unsuccessful while his request for a meeting with the officer was altogether declined. The complainant organization opined that if the officer in question had responded more positively in explaining the reasons for rejecting its application, it could have made suitable arrangements and remedial measures earlier so that its application could have been accepted under the Scheme.

FINDINGS

5. Regarding complaint point (a), this Office notes that the SB Division's role in the present fund-bidding exercise was restricted to the calling of applications from related organizations and assigning suitable priority for these to be submitted to the related authority for consideration. It is seen that the SB Division had had a time budget of six weeks to complete the task on this occasion. As it turned out, however, the SB Division had taken three weeks before issuing invitations to related organizations, allowing only nine days for the latter to submit their applications, and leaving the rest of the period for itself to do the necessary processing. This Office opines that if the SB Division had been more sensitive to the temporal constraints, it should have better apportioned the time available and invited applications at an earlier date such that the complainant organization's request for an extension could have been made unnecessary. Complaint point (a) is therefore considered substantiated.

6. In respect of complaint point (b), this Office notes that the two funding schemes under which the complainant organization submitted its application in 1994 and 1996 respectively had differing scope, target applicants, processing procedures and selection criteria, and with the SB Division playing different roles in the selection process. As such, it is not surprising to find that the same project proposal submitted under the two schemes had been subjected to unidentical handling procedures, and this Office therefore does not find the SB Division to be adopting any double standard as alleged. On the other hand, this Office notes that the SB Division did have a set of internal guidelines for evaluating the support-worthiness of proposed projects for the purpose of determining the priority to be accorded. It is accepted that there may be numerous means other than direct inquiries and site visits by which the SB Division could assess the merits of respective applications under the Scheme, and the fact that it had not conducted any site visit or made verification with the complainant organization did not constitute evidence of its failure to duly and thoroughly assess the complainant organization's application. Nevertheless,

having examined all records made available by Security Branch, this Office finds that information supplied tends to suggest that the comparison and analysis of projects proposed have tended to be impulsive if not overly arbitrary. There is a want of record to shed light on the detailed deliberation of applications on a structured comparative basis in a comprehensive manner. Hence, although complaint point (b) is found unsubstantiated, it is considered that there is obviously much room for improvement in the SB Division's documentation of assessment and analysis of applications in the process of determining their relative priority.

7. Regarding complaint point (c), this Office is satisfied that the officer under complaint was indeed engaged in another meeting at the time when the director of the complainant organization called upon her, and that this officer did return a telephone call the next day to see what she could do to assist. Meanwhile, the director of the complainant organization had been attended to by other SB Division's staff members who were familiar with the complainant organization's situation and problems, and had been given suitable advice and assistance accordingly to address his concern. Complaint point (c) is hence unsubstantiated.

CONCLUSION AND RECOMMENDATION

8. Overall, this complaint is **partially substantiated**. The Ombudsman recommends that the Security Branch should consider, in consultation with the authority overseeing the Scheme if appropriate, formalizing and regularizing its procedure for the assessment of applications under the Scheme in determining the relative priority to be accorded to them, in a way that more systematic and structured comparative analysis would be undertaken and, together with the related deliberations, be fully documented.

RESPONSE FROM SECURITY BRANCH

9. The Security Branch is in general agreement with the findings and recommendation of this report apart from the comments that the determination of priority for applications under the Scheme in 1994 was impulsive if not overly arbitrary. It maintained that the failure of the SB Division's staff to fully document the reasons for ranking applications received did not amount to evidence on arbitrary and impulsive analysis.

FINAL REMARKS

10. The Ombudsman is pleased to note that the recommendation for improvements to the handling of funding applications is accepted by Security Branch. As regards the latter's disagreement with the observations concerning the handling of applications under the Scheme in 1994, The Ombudsman

considers it inconceivable why the SB Division’s staff, in presenting the recommendations on priority for different project proposals in an internal correspondence, had inconsistently set out the reasons for the proposed ranking for some applications only while those for the others had been omitted. It is even more difficult to comprehend how, in the absence of full disclosure of the rationale behind the proposals, the decision-making officer in the SB Division could efficiently read into the rationale behind the recommendations presented for consideration. The Security Branch had been invited to comment on this respect but was unable to provide a full explanation or any document to support its point. In the circumstances, the findings, conclusion and recommendation of this investigation should be upheld.